



Cleveland District Office News

Information for the Small Business Community

August 2006

U.S. Small Business Administration
Cleveland District Office

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August 2006 Newsletter
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For More Information
SBA Home Page: www.sba.gov

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.
- For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:
1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness:
1-800-REG-FAIR

All of the SBA's programs and services are provided to the public on a non-discriminatory basis.



STEVEN C. PRESTON BECOMES NEW SBA ADMINISTRATOR

Steven C. Preston was sworn in July 10 as Administrator of the U.S. Small Business Administration. Preston, nominated to the position by President Bush, is a former business executive with broad experience in financial management and executive leadership. He is the 22nd Administrator of the SBA since the agency's establishment in 1953, succeeding Hector V. Barreto, who took office on July 25, 2001.

He was confirmed by the U.S. Senate by unanimous consent on June 29. The Senate Committee on Small Business and Entrepreneurship had unanimously recommended Preston's confirmation earlier in the day. "I am grateful to President Bush for the opportunity to serve in a way that so directly affects the lives of so many Americans," Preston said. "I am also humbled by the bipartisan support I have received in Congress and am committed to fostering a strong relationship with the many stakeholders of the SBA."

During his confirmation hearing on June 21, Preston emphasized the importance of sophisticated financial management, operational responsiveness and a customer service culture at the SBA. "None of this happens by accident," he said. "It requires dogged focus to move the ball forward each and every day."

Until recently, Preston was Executive Vice President of The ServiceMaster Company, a major franchising organization with thousands of small businesses in its network. Preston also had served as Chief Financial Officer.



SBA Administrator Steven C. Preston

He previously had been Senior Vice President and Treasurer of First Data Corporation, and an investment banker at Lehman Brothers.

He currently serves as vice chairman of the Board of Visitors for the Weinberg College of Arts and Sciences at Northwestern University, and has served on numerous boards of philanthropic and other organizations.

Preston graduated with Highest Distinction from Northwestern University with a political science degree, and received an MBA from the University Of Chicago Graduate School of Business. He also has studied at the Ludwig-Maximilians-Universität in Munich, Germany. Preston and his wife, Molly have five children and will be relocating to Washington, D.C. ♦

Homebased Sole Proprietors Generate \$102 Billion In Annual Revenue

New Study Details Homebased Business Revenue, Income By Industry

WASHINGTON, D.C. - America's homebased sole proprietors generate \$102 billion in annual revenue, according to a study released by the Office of Advocacy of the U.S. Small Business Administration. The study details revenues, expenses, and income for both homebased and non-homebased sole proprietors by industrial sector.

"Sole proprietorships are a vital part of our economy," said Thomas M. Sullivan, Chief Counsel for Advocacy. "Many are homebased micro businesses; collectively they generate a significant amount of economic activity. For the average sole proprietor, their business provides benefits of entrepreneurship that go beyond just income and revenue."

Written by Joanne H. Pratt with funding from the Office of Advocacy, *The Impact of Location on Net Income: A Comparison of Homebased and Non-Homebased Sole Proprietors* examines federal income tax data from year 2002 sole proprietorship returns (Schedule C).

The report presents a comparison of homebased and non-homebased sole proprietorships. For example, it finds that the average homebased sole proprietor earned \$22,569 in net income while their non-homebased counterparts earned \$38,243. Due to lower expenses, particularly in rent and labor costs, the average homebased sole proprietor consistently gained a higher return on gross revenues at 36 percent, versus 21 percent for the non-homebased. ♦

LOAN REPORT as of July 31, 2006



Total Loan Volume – JULY 2006 (7(a) and 504 Combined)

Bank	Number of Loans	Dollars (In Thousands)
Charter One Bank	536	\$26,934
National City Bank	218	\$29,417
US Bank	149	\$8,618
FirstMerit Bank	132	\$22,584
JP Morgan Chase Bank	124	\$18,342

504 Loans

Bank	Number of 504s
KeyBank	18
National City Bank	14
FirstMerit Bank	13
Huntington National Bank	8
JP Morgan Chase Bank	7
SkyBank	7

CDC	Number of Approvals	Dollars (In Thousands)
Growth Capital Corp.	32	\$10,131
Cascade Capital Corp.	20	\$9,701
MVEDC	12	\$6,613
Stark Dev Board Finance Corp.	12	\$3,056
Lake County SBAC	11	\$2,775
Horizon Certified Dev Co, Inc.	3	\$4,064
Ohio Statewide Development Corp.	3	\$1,722
Community Capital Dev. Corp.	2	\$464
Lucas County Improvement Corp.	1	\$720
MEACO	1	\$350
Northwest Ohio Dev Ass't Corp.	1	\$258
West Central Partnership	1	\$196

Congressman Brown to Hold Small Business Seminar

Congressman Sherrod Brown invites the public to a free small business seminar on September 15 presented in cooperation with the SBA Cleveland District Office. Presentations on SBA loan programs, selling to the Federal government and Small Business Development Center services will take place, and IRS information will be shared. A Town Hall business issue discussion will follow so participants may interact with government program specialists. The free program will be held at Sptizer Conference Center, Lorain Country Community College, 1005 Abbe Road North, Elyria from 8:00 a.m. to 11:00 a.m. To reserve a seat, please call 330-865-8450.